

## CITY OF HORSESHOE BAY

### CITY COUNCIL PUBLIC HEARING ON PROPOSED TAX RATE AND A PUBLIC MEETING TO CONDUCT A BUDGET WORKSHOP

September 5, 2006

The Council of the City of Horseshoe Bay held a Public Hearing on Proposed Tax Rate and a Public Meeting to Conduct a Budget Workshop at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, September 5, 2006, in accordance with duly posted notice of said meeting. Mayor Lambert called the meeting to order at 9:00 a.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor  
James E. Babcock, Mayor Pro Tem  
Don Wood, Alderman  
John Bird, Alderman  
Karen Wines, Alderwoman  
Buddy Schrader, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Lambert called the Public Meeting to order at 9:00 a.m. with a quorum present.
2. Convene Public Hearing on 2006 Proposed Tax Rate: Mayor Lambert convened the public hearing on the 2006 proposed tax rate and asked if there were any public comments. There were none. He then adjourned the public hearing
3. Presentation of Staff Five-Year Service Awards: Mayor Lambert presented Five-Year Service Awards to Wes Aiken and Keith Payne, both from the Fire Department. He thanked them for their service.
4. Update on the Enclave Development: Shawn Nelson from KC Engineering provided an update on the Enclave Development including a revised design of the entry moving the gated entrance further from Bay West Blvd. in order to alleviate traffic congestion and provide more parking. Council expressed continued concern over additional traffic on Bay West Blvd. as a result of this new development. Discussion continued concerning a left turn lane from Bay West Blvd. and possibly lowering the speed limit on RR 2147. Mayor Lambert asked if the HSB POA as owners of the street would work with KC Engineering to review the possibility of redesigning this intersection. Bill Gaylord and Claudia Haydon from the Board of the HSB POA were present and stated they would look into this.

5. Preliminary Plat Approval: Mayor Lambert stated this particular tract of property had never been platted. After some discussion Alderman Wood made the motion to approve the plat. Alderman Schrader seconded the motion. The motion passed unanimously (5-0).
6. Certification of Unopposed Candidates by City Secretary and Ordinance Declaring the Same and Canceling the November 7, 2006 Election: Mayor Lambert congratulated the three candidates for Alderman - current Alderman Babcock and Aldermen elect Jeff Robinson and Richard Rantzow. He stated due to the fact there were only three candidates to fill the three openings, the election could be canceled and they will officially be elected on November 7, 2006. He asked that the Council approve the Ordinance in order to notify the Llano and Burnet County Clerks. Alderman Schrader made the motion to approve the ordinance. Alderman Wood seconded the motion. The motion passed by 4-0-1 with Alderman Babcock abstaining.
7. Budget Workshop: Mayor Lambert convened the Budget Workshop at 9:55 a.m. He thanked HSB resident John Bateman for calling attention to the fact that the City was eligible to receive a Mixed Beverage Tax and was not receiving their portion of the tax collected by the State. The State will pay this to the City retroactive to the time of incorporation. It should result in approximately \$3,000 income per month for the City with approximately two-thirds of this coming from the Marriott. Mayor Lambert thanked Teresa Moore for her efforts in coordinating the City's registration with the State Comptroller's office to enable the City to receive this revenue. Mayor Lambert then stated that each Council member has a copy of the proposed budget he submitted to the City Secretary and that, if the Council is agreeable to the changes shown on the staff report, they will be incorporated into the proposed budget to be considered for approval at the September 19, 2006 meeting. Alderwoman Wines questioned the fact that the Utility Department is not self-sustaining and is subsidized by taxes. Alderman Wood stated that if you raised both water and wastewater rates so that the utilities would be self-sustaining, the increase would need to be approximately 30%. Alderman Wood also noted that the MUD Board was aware that the Utility Department needed a rate increase and had implemented a rate increase program in order to achieve this. Alderman Babcock stated that while a self-financing Utility Department is good, property taxes are tax deductible. Mayor Lambert highlighted some additional items for discussion, including tax rate and projected tax collection percentage, mixed beverage tax, contributions, impact fees, and water rates. The Council was in favor of leaving the tax rate at \$.50/\$100, projecting a 97% collection rate, and adding \$35,000 in revenue from the mixed beverage tax. The Council then discussed contributions and Becky Robinson, on behalf of the Friends of the Marble Falls Library, requested the Council to consider allocating \$5,000 in the budget for books and audio visual materials for the Library. Alderman Babcock noted that if the Council was in favor of establishing a contribution budget, it could be funded from the mixed beverage tax revenue. The Council was in favor of adding \$30,000 in the budget for contributions and at a subsequent meeting adopting a policy for funding such contributions.

Regular Meeting Adjourned for a Recess: At 10:45 a.m., Mayor Lambert announced that the meeting would adjourn for a short recess.

Regular Meeting Resumed: At 10:55 a.m., Mayor Lambert reconvened the meeting.

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City Council Meeting  
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After some discussion on whether or not the City should pursue an impact fee, the Council was in favor of allocating \$50,000 to the capital program for a Capital Improvement Plan which must be completed and approved by Council prior to adopting an Impact Fee Ordinance, and to proceed with the process according to General Manager Mike Thuss' memorandum, which is attached and made a part of these minutes. Alderman Wood opened discussion of water rates and presented a rate schedule comparison of the current rate structure and three alternative rate structures, each of which increase the minimum bill to \$20 and include a multi-tiered structure that shifts more of the cost to the higher users. Alternative 1 was revenue neutral to the current budget, Alternative 2 would generate a moderate increase in revenue, and Alternative 3 would result in a self-sustaining utility department. After some discussion, the Council was in favor of the Alternative 2 rate schedule.

8. Adjournment: There being no further discussion, Alderman Babcock made the motion to adjourn the meeting at 12:17 p.m. Alderman Wood seconded the motion. The motion passed unanimously (5-0).

APPROVED this 19<sup>th</sup> day of September, 2006.

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/S/  
Robert W. Lambert, Mayor

ATTEST:

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/S/  
Toni Vanderburg, City Secretary